IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE TWENTY FIRST DAY OF MARCH
TWO THOUSAND AND FIVE

PRESENT

**THE HON'BLE SRI JUSTICE N.V. RAMANA**

**WRIT PETITION NO.14587 of 1997**

Between:

M/s. Shriram Heat Treaters Pvt. Ltd., rep.by it's Managing Director V.Veerabhadra Rao, S/o. Venkateswaralu, R/o. Hyderabad.

**..... PETITIONER**

AND

1 A.P. State Finance Corporation, Hyderabad, rep. by it's Vice -Chairman

and Managing Director, Hyderabad.
2 The Branch Manager, A.P.S.F.C., Ranga Reddy(East),
Chirag Ali Lane, Abids,
Hyderabad.
3 M/s. Fine Line Graphic System,
A-6, Electronics Complex, Kushaiguda,
Hyderabad.

**.....RESPONDENTS**

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed herein the High Court may be pleased to issue an order, direction or any appropriate writ more particularly in the nature of Writ of Mandamus declaring the action of the respondents 1 and 2 in seizing the petitioner's unit and finalising the sale transaction in favour of the 3rd respondent as illegal, null and void and for a consequential order directing the respondents to lift the seizure by handing over the Unit to the petitioner for the same price offered by the 3rd respondent.

**Counsel for the Petitioner: MR.CH.DHANAMJAYA**

**Counsel for the Respondent Nos.1 and 2: MR.Y.NEELA LOHITHA SASTRY**

**The Court made the following:**

**ORDER:**

This writ petition is filed seeking to declare the action of the respondents 1 and 2 in seizing the petitioner's unit and finalizing the sale transaction in favour of the 3rd respondent as illegal and arbitrary and to direct the respondents to lift the seizure by handing over the Unit to the petitioner for the same price offered by the 3rd respondent.

Heard the learned counsel for petitioner and learned counsel for the respondents.

The main grievance of the petitioner in this writ petition is that due to delay in release of the loan amount to it by the respondents
1 and 2, the petitioner could not effectively utilize the loan amount, which resulted in seizure of petitioner's Unit and finalization of sale transaction in favour of the 3rd respondent. Questioning the said action, the present writ petition is filed.

A perusal of the counter affidavit filed by respondents 1 and 2 clearly indicates that the petitioner Unit was sanctioned a Term Loan of Rs.24,78,910/- by the respondent-Corporation on 15.02.1990 to enable the petitioner to set up a unit relating to Heat Treatment of Metals and Alloys at Hyderabad and that the petitioner has availed a sum of Rs.18.54 Lakhs pursuant to sanction of loan and that even during the disbursement of loan, there were disputes between the promoters and other partners and the promoters themselves requested the respondent-Corporation to stop disbursement of loan initially and pursuant to the settlement of disputes and upon assurance given by the promoters, the respondent-Corporation released the loan to the petitioner Unit.

In view of the said factual position, the contention of the petitioner that the delay in disbursement of the loan amount caused loss and seizure of its Unit and finalization of sale transaction in favour of the
3rd respondent, cannot be accepted. There is no merit in the writ petition and the

same is accordingly dismissed. No costs.

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**N.V. RAMANA, J.**

Date: 21.03.2005

Nsr

..... REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

1 The Vice -Chairman and Managing Director, A.P. State Finance

Corporation, Hyderabad.
2 The Branch Manager, A.P.S.F.C., Ranga Reddy (East),
Chirag Ali Lane, Abids,
Hyderabad.
3 Two CD copies

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